

St. Mary Rehabilitation Working Group Meeting
10:00 – 3:00 February 28, 2007
Chinook Motor Inn – Chinook, Montana

Welcome and Introductions:

Members Present: Dave Peterson, Dolores Plumage, Paul Tuss, Gary Anderson, Max Maddox, Randy Perez, John Lacey, Marko Manoukian, Randy Reed, Michael DesRosier, Bob Mavencamp, Don Wilson, Steve Page, Wade Engstrom

Staff Present: Larry Mires (Exec. Director), Brandi Beecher (Exec. Assistant), Mike Daily DNRC

Information included in meeting handouts:

- Agenda
- Approved December 19, 2006, SMWG Meeting Notes.
- Draft January 22, 2007, SMWG Meeting Notes.
- Draft February 7, 2007 SMWG conference call Meeting Notes.
- Draft February 20, 2007, SMWG Executive Committee, conference call Meeting Notes.
- SMWG Financial Statement.
- SMWG Committee List.
- Framework for Establishing the Missouri River Recovery Implementation Committee

Review and approval meeting notes:

- SMWG approved agenda.
- SMWG approved January 22, 2007 meeting notes.

Congressional Updates

- Seth Broesder of Congressman Denny Rehberg's office said the House passed a continuing resolution omnibus bill for Appropriations for FY 07 funding government agencies at 2006 levels with no earmarks. He said Congressman Rehberg is working with USBR Commissioner Johnson to urged BOR to fund the feasibility study on the rehabilitation of St. Mary/Milk River System out of their existing budget.
- Larry Mires reported Representatives for Senator Baucus and Senator Tester were unable to attend today's meeting due to weather and expressed their sincere apology for not being in attendance.

Blackfeet Compact Proposal for St. Mary River

- Doug Oellermann of Bureau of Indian Affairs gave an overview of the efforts on the Blackfeet Water Compacting Proposals. He added the Federal Negotiation Team is made up of BIA, USBR, and Blackfeet Tribe and this Team will be working with State officials.
- Don Wilson said the Blackfeet Tribe is actively seeking to complete their water compact during this 2007 Legislative Session.
- Jay Weiner said the State Compacting Commission is also hoping to get the water compact during the current Session.
- Brent E. of BOR gave a presentation outlining options for a possible solution of a federal compact:
 - Options for a Tribal Allocation and Use of St. Mary Canal
 - **Milk River Water Rights Administration-** *Brent said it appears that there is some Milk River Water being diverted by irrigators that are non-project*

irrigators. Proposed solution that the State try to stop this illegal taking of Water – better administration of water allocation.

- **Storage on St. Mary River-** *Brent said Lower St. Mary Lake may provide for additional storage of spring and late summer runoffs. Scott Guenthner said the Lake's water level usually fluctuates about 8 feet and the storage will keep it within the 8 feet.*
- **Assignment of Milk River Project non-irrigation contracts -** *The St. Mary System is a single use contract and has been discussions to make into a multi-use projects. These contract payments may be adjusted so that payments would be made to the Blackfeet council rather than to the BOR*
- **Voluntary Land Retirement-** *MRP Lands - Brent explained willing seller's selling off their irrigation land as a dry land farm that may free up some water.*
- **Non-water Quantity Related**
 - *Canal Capacity Allocation – Scott explained this option may make water available for Blackfeet irrigators. Scott gave the example, if you create some storage in lower St. Mary Lake, then you could store more over spring and winter, then lower St. Mary Lake could provide water to Milk River project and Lake Sherburne water may be used by Blackfeet irrigators.*
- **Other Potential Options to Explore**
 - Increase Lake Sherburne Storage Capacity
 - Storage on St. Mary Canal
 - Other ??
 - Randy Reed questioned if Upper St. Mary Lake has been considered for additional storage. Brent said it has been briefly looked at.
 - Steve Page asked about the concept of developing Babb Dam? Brent said the Babb Dam was considered in early 80's and it has not been in the discussions in these Water Compacting negotiations. Scott said the Blackfeet would like to see a significant benefit to the Tribe, around 50,000 acre feet. Babb Dam is much larger than the 50,000 acre feet. Brent added there may be some environmental concerns.
 - Terry Zontek said we may be able to look at increasing Fresno and still there may be other options that provide benefit.
 - Gary Anderson talked about concerns on the IJC Boundary Waters Treaty and Milk River irrigator's getting their share.
 - Lt. Governor Bohlinger questioned the first alternative and questioned if it is difficult for the State to step up water monitoring? Anne Y. said the monitoring would require an enforceable decree and a Water Commissioner.
 - Jeanne Whiting said the Blackfeet would be hesitant to add the water administration and the IJC accounting procedure to their list of alternatives. Jeanne said there are similar negotiations taking place on every other stream on the Blackfeet land. Each alternative would help satisfy the 50,000 acre feet for the Blackfeet. The Blackfeet also have a number of other issues relating to environmental concerns.
 - Randy R. question what if there is not 50,000 acre feet available for the Blackfeet. Jeanne said she hopes they don't have to address that issue.
 - Lt. Governor Bohlinger questioned why irrigators would voluntarily give up their water rights? Scott G. responded that the concept is the land

Approved Meeting Notes

would be voluntarily sold and federal government would pay the difference between dry land and irrigated land prices in order to free up more water for existing contracts.

- Kay. B. asked if the Babb Dam concept would eliminate the St. Mary Diversion works? Brent said the Babb Dam would eliminate the Diversion works.
- Kay asked about using water out of the Missouri system for Fort Peck Irrigators? Brent said it is an alternative for the Basin.
- Bob Larson asked if there could be a compromise to create a hybrid concept using the St. Mary's Lake and Babb Dam for storage. Brent said they continue to explore all options.
- John Lacey said 50,000 acre feet is a lot of water in the Milk River system and is concerned that it may be hard to come up with and not negatively affecting irrigators. He talked about using a storage dam on Milk River that was proposed by Canada and added don't discount bringing water from Fort Peck.
- Jay W. said may need to explore Fresno alternatives.
- Randy P. commented that building a storage structure would affect the flows of the Milk River which may have an impact on the Fort Belknap Tribe.
- Ron Crossbows questioned where the location of the Babb dam would be? Brent said it was conceptually looked at where the present day siphons cross the St. Mary River. Ron added there may be concerns of flooding. Brent and Terry Z. said there are a lot of social and environmental concerns with this concept.
- Lt. Governor Bohlinger said the Legislative Session is scheduled to end April 27 and Blackfeet Nation and the State of Montana must reach an agreement before the end of the session.
- Don W. said the Blackfeet Tribe is working hard and fast, to try to satisfy the tribe's needs and not affect the downstream irrigators. Trying to compile 50,000 acre feet instead of trying to get all 50,000 acre feet from one source. He also said if anyone has an idea or suggestion to please share it with the Federal Team.
- Ed H. asked if there are ideas, who should they contact. Don W. said BIA, BOR and Jeanne Whiting, or himself. Terry Z. added anyone on the Federal Team. Doug Oellermann is the chairman.

SMWG Discussion

- Steve P suggested presenting Kevin Salsbery's family with some kind of a remembrance of his service on the SWMG. He suggested a portrait of the St. Mary Milk River System.
- SMWG tasked Larry Mires and Marko to come up with a memorial for Kevin's family in honor of Kevin Salsbery.
- SMWG members made donations for the memorial and signed a condolence card.

Presentation on National environmental Policy Act - USBR

- Jeff Baumberger of BOR gave a presentation on the National Environmental Policy Act (NEPA) discussing the purpose of NEPA. He said it is designed to better inform the decision makers on environmental impacts.
- NEPA does not choose an alternative and it is not a planning document.

Approved Meeting Notes

- 3 Levels of NEPA Compliance
 - Categorical Exclusion
 - Environmental Assessment (EA)
 - Environmental Impact Study (EIS) – look at all alternatives.
- Marko asked if the Feasibility study drives the NEPA process? Jeff said they would likely be parallel studies, and the federal action would be a feasibility study.
- Steve Page - is a NEPA document needed to make repairs on an existing structure or just for new constructions? Jeff said as the action expands your impacts may expand, so you still have to do NEPA it just a smaller document. If there is discretionary federal action it will trigger NEPA.
- Jeanne Whiting added that there were questions if an E.A. or a full EIS would be required. Jeff said BOR has not made a decision, but leaning toward requiring full EIS because there are several significant impacts.
- Randy R. asked who makes the decision on the requirements? Jeff said the environmental analysis will make the decision. If you can determine there are not significant environmental impacts, then the EA will suffice.
- Brent E. added that in doing the E.A. then find there are significant environmental impacts, an EIS will be required. May save time by just doing the EIS.
- Randy questioned if authorization be required before NEPA is completed? Brent said before any type of Construction begins the NEPA document must be completed. Reclamation under existing authority BOR has authority to fix the system, but since it is a single use system the irrigators will be held responsible for the bill.
- John L. questioned if Congress authorizes the project as a multi-use project will it trigger NEPA compliance. Jeff said no it would not.
- Jeff added EIS requires scoping meetings, public meetings, etc. EA does not require public meetings.
- Paul T. asked if an EIS would make recommendations? Jeff said it just analyzes the environmental issues, but the decision maker does not have to take the recommendation.
- Brent asked if there are preferred alternatives in the EIS? Jeff said it begins with analyzing all of the alternatives.
- Paul T. asked if it only analyzes environmental issues? Jeff said it analyzes socioeconomic impacts.
- Ruben Horseman asked about the impacts on users and non-water users? Brent E. said the financial feasibility study will analyzed for this project. Ruben added farmers alone can't bear the cost to rehabilitate the system so other users will be required to pay for it.

Appointment of New Executive Committee

- Larry Mires went through the current members of the Executive Committee.
- Larry reported that he talked to Matt McCann about remaining on Executive Committee. Matt expressed interest to Larry that he would like to remain on the Executive Committee.
- Larry took a roll call of existing Executive Committee members asking if they are willing to continue serving on Executive Committee. Dolores yes, Paul T. yes, Michael yes, Don yes, Steve suggested that he was appointed the committee because he was the Chairman of the outreach committee and thought new outreach committee chairman (Marko) may like to take over.
- Randy R. suggested Steve and Marko should discuss this and report back the next meeting as to who will serve on the committee.

Approved Meeting Notes

- Dolores added it is important for Executive Committee members call in for Executive Committee Conference call so we can make a quorum and suggested adding additional members.
- John suggested if seven is too many, could go back through meeting notes and reduce members that have not been active.
- Max suggested to leave the number as is and amend the bylaws so that whoever makes the call is the quorum.
- Randy P. volunteered to serve on the Executive Committee.
- SMWG extensively discussed the size of Executive Committee and decided to leave the committee as is, and Randy P. can join the conference calls and will be recorded in the meeting notes.
- SMWG approved leaving Executive Committee as is.

SMWG Representatives for Malta Irrigation District and Two Rivers Growth

- Wade Engstrom will represent Two Rivers Economic Growth on the SMWG.
- Marko said the Joint Board will meet on March 8 and he will recommend making a decision on who will be their representatives to the SMWG.

SMWG Committee Assignment Discussion

NEPA Review Committee

- Larry asked if anyone would like to serve on the NEPA committee.
- Dave P., Michael D., Randy R. volunteered.
- Will discuss further at the next meeting

Fundraising

- No changes.

Outreach Committee

- No changes.

Authorization Committee

- No changes.

Contingency Planning Committee

- No changes.

SMWG Alternate List Discussion

- Larry Mires reported the SMWG Alternate list needs to be updated and members should not use other members as their primary alternates.

SWMG MEMBER	ALTERNATE
Dave Peterson	Jeff Jensen
Dolores Plummage	??
Gary Anderson	Corey Fox
Wade Engstrom	??
John Lacey	??
Milk River Joint Board	??
Marko	??
Matt McCann	Brad Tillman
Michael DesRosier	Jim Baker
Don Wilson	Tony Carlson

Approved Meeting Notes

Paul Tuss	??
Randy Perez	??
Randy Reed	??
Steve Page	??

- SMWG members will report who their alternate will be during the next meeting.

Executive Directors Report

- Larry reported the meeting in Washington DC with Montana's Congressional Delegation was very successful and timely. He noted the amended version of Senate Bill 3563 had full support from the Energy and Natural Resources committee last session. It appears to still have bipartisan support if we were to choose to use it.
- Financial request was submitted to Congressional offices.
- Michael D added that he was surprised by how much awareness there was on the project.
- Larry M. reported that he attended Family Farm Alliance meeting in Las Vegas with Randy R. and Max M. He said several irrigation districts across the country are watching what the SMWG is doing and the St. Mary Milk River progress.
- Randy R. reported there may be an opportunity to name the Milk River in the Federal Farm Bill.
- Max M. added that the new Commissioner mentioned the St. Mary Project and Larry Mires. He said it is very important to continue sending Larry to meetings.
- Larry talked about the Missouri River Recovery Implementation Committee. He felt the SMWG should have representation on the Committee so he applied for a seat on this Committee. It will require monthly meetings out-of-state and Two Rivers Growth will help endure the travel costs.
- SMWG discussed the concept and agreed it was a good idea.
- Paul T. asked about the fiscal impact? Larry said he doesn't know what cost will be at this time.
- Gary asked about State Representation? Larry said Montana DNRC will have representation.
- SMWG approved by consensus to allow Larry Mires to serve on the Missouri River Recovery Implementation Committee (MRRIC) if he is selected.

Financial Report

- Paul T. gave a financial report pointing there are two financial statements reflecting Milk River Basin funds and RDGP grant.
- Paul T. will meet with Paul A. and Anne Y. next week in Helena to discuss the draw down process for the grant.
- Randy P. asked about engineering expenses. Paul T. said the budget will need to be updated to include the engineering expense discussed last month.
- Gary A. said he will hold a fundraising committee meeting following this meeting.

Contingency Planning Committee

- Dave reported the Contingency Committee met last month.
- Need to look at the level of cost of annual O & M expenses and the other costs.
- BOR is limited on what they can do without the funding and authorization.
- Dave said Plan development is underway.
- Randy Middlebrook reported he has talked to the Emergency Response Coordinator discussing what the State has in place for St. Mary System including irrigators and municipalities in case of a failure. He learned the failure will have to be a natural disaster in order for FEMA funds to assist with repairs.

St. Mary's Operation Report

- Ed H. of USBR reported:

Approved Meeting Notes

- Snowpack is 22 inches equivalent water compared to 25 inches last year and average is 26 inches.
 - Sherburne at 191% of normal and 93 % of last year
 - Fresno at 113% of average, 81 % compared to last year.
 - 82% of average, 85 % of last year.

Working Group/Public Comments

- Marko reported that he held a SMWG update meeting in Malta earlier this week and nearly 22 people attended. He also expressed his gratitude to those taking time to travel nationally for the SMWG.
- Dolores would like further information on Rep. Windy Boy's bill and the House joint resolution bill proposed in Montana Session. Dolores also added she attended Fort Belknap water compacting negotiations yesterday and she was concerned that the negotiations may require some of the funding to come from BIA which is out of its own budget.
- Jeanne Whiting asked if the request for appropriation is separate from Senate Bill 3563?
- Larry M. said the congressional offices and committee staff will take what was submitted as a funding request and will hopefully merge it with the active legislation. Mike Connors and Josh Johnson are the staffers on the Committee.
- Randy R. said the Committee recognized that they had consensus in the committee so the amended version is still alive.
- Larry M. said the funding request will be for FY '08. The request that is included in the Omnibus bill is for FY '07.
- Jeanne added the Blackfeet would like to take another look at the Hydropower option.
- Steve Page asked who will introduce the Legislation? Larry M. said this is being discussed between the senator's offices and hasn't fully been committed at this time. With the information learned during the DC visit he hopes Senator Tester will introduce the legislation in the Energy and Water Committee. Congressman Rehberg of course will introduce in the House.

Summary of Agreements

- SMWG approved leaving Executive Committee as is for current time.
- SMWG approved by consensus to allow Larry Mires to serve on the Missouri River Recovery Implementation Committee if he is selected.

Summary of Action Items

- SMWG tasked Larry Mires and Marko to come up with a memorial for Kevin.
- Steve and Marko will decide on who serves on Executive Committee and report at next meeting.
- SMWG members will report who their alternate will be during the next meeting.

Next Meeting

- Steve P. said Chinook is a central location.
- Michael D. suggested have meeting in Browning during spring or summer.
- Chinook on March 21st.